

MASTER SERVICE AGREEMENT

TALL CITY EXPLORATION, LLC

THIS AGREEMENT CONTAINS PROVISIONS RELATIVE TO INDEMNITY, RELEASE OF LIABILITY AND ALLOCATION OF RISK.

THIS CONTRACT (this "Agreement"), made effective this 23rd day of OCTOBER 2013 by and between **TALL CITY EXPLORATION, LLC** (hereinafter called "Company") and PHOENIX SERVICES, LLC, (hereinafter called "Contractor"), in consideration of the covenants and provisions hereinafter provided, shall control and govern all work performed or to be performed by Contractor for Company under verbal or written work orders, purchase orders, delivery tickets, invoices or other verbal or written agreements between the parties, relating to work to be done by Contractor for Company, and shall supersede any such agreements from and after the date hereof until this Agreement is specifically cancelled in writing by either party, anything to the contrary in any such agreement notwithstanding. This Agreement does not obligate Company to order work from Contractor, nor does it obligate Contractor to accept orders for work.

1. The rights, privileges, duties and obligations imposed herein upon Company and Contractor shall extend, bind and include their partners or others, if any, for whom they act as agent, as well as for themselves individually; and as principals and such partners, each shall be bound hereby as if they were formally named herein as parties hereto.
2. Upon Company's notifying Contractor in the manner provided herein of the jobs required to be performed hereunder, Contractor may undertake the same and will thereafter carry them out with due diligence and in a good and workmanlike manner subject, however, to Paragraph 14 hereof.
3. In the performance of any operations hereunder Contractor shall furnish at its own expense and cost any and all necessary labor, machinery, equipment, tools, transportation and whatever else is necessary in the performance and completion of the work other than such items as the Company specifically agrees to furnish. The obligations of Company and the Contractor under this paragraph are subject to Paragraph 14 hereof. **Contractor shall be solely responsible for any loss or damage to his equipment, material or supplies at all times when in its care, custody, and control except that Company shall be responsible for any loss or damage to equipment, material or supplies of Contractor occurring during transportation by Company or by conveyance arranged for by Company or while Contractor's equipment, material, or supplies are within any member of Company Group's (defined in paragraph 8) care, custody, or control.**

Contractor agrees to pay and discharge all valid taxes (including but not limited to FICA and Medicare contributions), lienable claims, charges or other impositions imposed and to be imposed by law on Contractor, arising out of, in connection with or resulting from work performed hereunder, and to comply with all pension laws, Equal Employment Opportunity Laws and unemployment laws, including payment of all contributions legally due or payable as a result of any governmental or private pension or profit-sharing plans with reference to

Contractor or its employees engaged in the performance of any work hereunder. Contractor agrees to indemnify Company against any liability for any such taxes, lienable claims, charges or impositions. If, upon the completion of any particular job, Company shall have cause to believe that there are unsatisfied claims for labor, materials or injuries to third persons or property, it may request, and Contractor shall furnish, proof satisfactory to Company that such claims are satisfied or discharged. The amount due as herein provided shall be paid by Company to Contractor, subject, however, to the right of Company to withhold payments in accordance with the requirements of any applicable law with respect to liens for labor or material. In no event shall any of the foregoing be interpreted to prevent Contractor from claiming, filing, or enforcing any liens when the rights thereto arise directly from Company's failure to pay Contractor in breach of this Agreement.

4. Contractor agrees at all times in the performance of this Agreement to abide by all valid federal, state and/or local laws, statutes, rules, regulations, ordinances, and/or orders prescribed or promulgated by any governmental authority having jurisdiction and to remedy any violation of such laws, statutes, rules, regulations, ordinances and/or orders within a reasonable time and to pay and discharge all charges, penalties and fines imposed or levied upon Company as a result of such alleged violation or violations, specifically including any such fines, levies or penalties assessed as a result of any federal, state or local governmental or private health and safety act.
5. Contractor and each of its subcontractors shall maintain a true and correct set of records pertaining to all work performed for the Company. Contractor and each of its subcontractors shall retain all records which are subject to inspection hereunder for the applicable statute of limitations period for the particular jurisdiction in which the work was performed. Neither Contractor nor any of its subcontractors shall pay any commissions or fees or grant any rebates, one to the other, and neither shall Contractor nor any of its subcontractors pay any commissions or fees to the employees or officers or agents of the other in connection with the work. Company may, upon request, audit any and all records of Contractor and of any its subcontractors relating to work performed for the Company pursuant to this Agreement. Contractor shall ensure that any subcontractor it utilizes in furtherance of work performed for the Company pursuant to this Agreement complies with the requirements of this Paragraph 5 and that such subcontractor binds and obligates itself to Contractor with regard to the requirements of this Paragraph 5 in the same manner as which Contractor has bound and obligated itself to Company.
6. In the performance of the services hereunder, Contractor agrees that it shall act as and be an **Independent Contractor and as such shall not consider themselves nor represent themselves to be an agent or employee of the Company.** Further, the Contractor:
 - a. is free to determine the manner in which the work or service is performed, including the hours of labor of or method of payment to any employee;
 - b. is required to furnish or have his employees, if any, furnish necessary tools, supplies, or materials to perform the work or service other than those specifically agreed to be furnished by the Company;

c. recognizes and acknowledges that while the Company may periodically make available third-party training activities to the Contractor, the Company does not warrant the completeness of these training activities, and it shall remain the Contractor's sole responsibility to possess the skills and schedule and obtain all necessary training, including those courses required by statute or regulation, required for the specific work or service provided by the Contractor;

d. agrees to file all required tax reports and pay all FICA, Medicare, income and other like and similar taxes and contributions due as a result of the Contractor's work activities hereunder;

e. agrees that neither Contractor nor Contractor's employees, agents or subcontractors will be covered by Company's Workers' Compensation.

7. In requesting the services of Contractor, Company assumes responsibility for designating the premises upon which such services are to be performed.

8. **INDEMNIFICATION: The following indemnifications and releases of liability will apply to all work performed under this Agreement. In the event one party must bring legal action in order to enforce an indemnification, all reasonable costs and expenses related to that legal action shall be included as part of the indemnification.**

a. **CONTRACTOR'S INDEMNIFICATION OF COMPANY:** Contractor shall release Company of any liability for, and shall protect, defend, indemnify, and save Company, its subsidiaries and affiliates, its and their officers, directors, employees, invitees and joint owners (hereafter "Company Group") harmless from and against all claims, demands, and causes of action of every kind and character (including Punitive Damages), without limit and without regard to the cause or causes thereof or the negligence of any party or parties, arising in connection herewith, including as a result of loading, unloading, ingress, and/or egress, in favor of Contractor's employees (including leased employees) or Contractor's subcontractors or their employees, or Contractor's invitees, on account of bodily injury, death or damage to property. Contractor's indemnity shall be without regard to and without any right to contribution from any insurance maintained by Company pursuant to Paragraph 12.

b. **COMPANY'S INDEMNIFICATION OF CONTRACTOR:** Company shall release Contractor of any liability for, and shall protect, defend, indemnify, and save Contractor, its subsidiaries and affiliates, its and their officers, directors, employees, invitees and joint owners (hereafter "Contractor Group") harmless from and against all claims, demands, and causes of action of every kind and character (including Punitive Damages), without limit and without regard to the cause or causes thereof or the negligence of any party or parties, arising in connection herewith, including as a result of loading, unloading, ingress, and/or egress, in favor of Company's employees (including leased employees) or Company's contractor's or their employees, or Company's invitees, other than those parties identified in paragraph a. on account of bodily injury, death or damage to property. Company's indemnity shall be without regard to and without any right to contribution from any insurance maintained by Contractor pursuant to Paragraph 12.

c. If a claim is asserted against one of the parties to this Agreement which may give rise to claim for indemnity against the other party hereto, the party against whom the claim is first asserted must notify the potential indemnitor in writing and give the potential indemnitor the right to defend or assist in the defense of any claim.

d. **CONSEQUENTIAL DAMAGES:** Neither party shall be liable to the other for special, indirect or consequential damages resulting from or arising out of this Agreement, including, without limitation, loss of profit or business interruptions, however same may be caused. Each party shall release, defend, indemnify and hold the other Party Group harmless from and against any and all Claims for punitive, exemplary, consequential or indirect damages arising out of the Work or this Agreement, including without limitation loss of profits, loss of production, or loss of use, **REGARDLESS OF FAULT.**

e. **POLLUTION:** Contractor shall assume all responsibility for and shall defend and indemnify Company Group from and against any and all loss, cost or expense arising from pollution or contamination of the environment originating from above the surface of the land or water from the property, vessels, or equipment of Contractor (but always excluding oil, gas, water or other substances originating from the well or wells) and caused by the negligent act of Contractor.

Save for as set forth in the preceding paragraph, Company shall assume all responsibility for and shall indemnify the Contractor Group against all Claims asserted by any person arising from all pollution or contamination in or from any well being drilled under this Agreement including, without limitation, destruction, loss, or impairment of oil and/or gas, for any loss or damage to any formation, strata, or reservoir beneath the surface of the earth, the cost of control, removal, or clean-up, or resulting from fire, blowout, cratering, seepage, or any other uncontrolled flow of oil, gas, water, or other substance as well as the use or disposal of oil emulsion, oil base or chemically treated drilling fluids, contaminated cuttings or cavings, lost circulation materials and materials and fluids used during fishing operations.

f. **RENTAL AND DOWN-HOLE EQUIPMENT:** Company agrees to protect, defend, indemnify and hold harmless Contractor from and against any and all Losses when Contractor Groups' equipment is being used below the rotary table and Company shall replace, recover and/or repair any tools or equipment provided by Contractor Group, which are lost or damaged within the well, or while in the Company's care, custody or control.

g. **INDEMNITY OBLIGATION:** Except as otherwise expressly limited herein, it is the intent of parties hereto that all indemnity obligations and/or liabilities assumed by such parties under terms of this Agreement be without limit and without regard to the cause or causes thereof, including preexisting conditions, the unseaworthiness of any vessel or vessels, strict liability, or the negligence of any party or parties, whether such negligence be joint, contributory, or concurrent, active or passive, ordinary. The

indemnities, and releases and assumptions of liability extended by the parties hereto shall extend to the parties, their parent, holding and affiliated companies. The terms and provisions hereunder shall have no applicability to claims or causes of action asserted against Company or Contractor by reason of any agreement of indemnity with a person or entity not a party hereto.

9. All notices to be given under this Agreement shall be in writing and shall be sent to Contractor as specified on the signature page, and to Company at Tall City Exploration, LLC, 203 West Wall, Suite 602, Midland, Texas 79701. Notices, may be delivered (a) personally or by delivery service, such as federal express, for example; (b) mailed by registered mail or certified mail, return receipt requested, postage prepaid, (c) sent by facsimile transmission, or (d) sent by e-mail. A Notice delivered personally or by delivery service shall be conclusively presumed to have been delivered on the date received. All other notices shall be deemed received by Company or Contractor, as the case may be, and effective (i) three days after being sent by mail; or (ii) upon receipt if sent by facsimile or e-mail, if such electronic transmission is confirmed by the recipient.
10. The consideration to be paid by Company to Contractor, as a result of any agreement between the parties shall be the amount set forth and agreed to in any verbal or written work order, purchase order, delivery ticket, invoice or other agreement hereafter entered into between the parties, and shall be in the amount set forth in the rate schedule furnished Company prior to the commencement of work or, if no schedule be furnished, the amount shown in the applicable work order or purchase order of Company; provided, however, that the amount to be paid for any service or labor or material furnished or used in connection with such work shall not exceed Contractor's usual and customary charge for such services, labor or material in the locality where the work is to be performed.
11. This Agreement shall be construed, governed, interpreted, enforced and litigated, and the relations between the parties determined, in accordance with the laws of the State of Texas.
12. **INSURANCE: As to all operations provided for herein, Each party shall secure and maintain during the term of this Agreement the insurance in the types and amounts and under the conditions as shown in Exhibit "A", with companies satisfactory to Company and shall furnish on forms as furnished by Company or its representatives, certificates to evidence such insurance before the work provided for herein is begun.**

IF OPERATIONS ARE PERFORMED IN TEXAS OR UNDER TEXAS LAW, BOTH PARTIES AGREE THAT:

IN ORDER TO BE IN COMPLIANCE WITH THE TEXAS ANTI-INDEMNIFICATION ACT REGARDING INDEMNIFICATION MUTUALLY ASSUMED FOR THE OTHER PARTY'S SOLE, JOINT, OR CONCURRENT NEGLIGENCE, EACH PARTY AGREES TO CARRY SUPPORTING INSURANCE IN EQUAL AMOUNTS OF THE TYPES AND IN THE MINIMUM AMOUNTS AS SPECIFIED IN THE INSURANCE REQUIREMENTS HEREUNDER; AND EACH PARTY AGREES THAT THE MAXIMUM AMOUNT OF SUCH SUPPORTING

INSURANCE CARRIED IN EQUAL AMOUNTS SHALL BE THE LOWER OF THE MAXIMUM AMOUNT CARRIED BY EITHER PARTY AS LONG AS SUCH AMOUNT MEETS OR IS IN EXCESS OF THE MINIMUM AMOUNT SPECIFIED. IT IS AGREED THAT THE MONETARY LIMITS OF INSURANCE REQUIRED HEREUNDER SHALL AUTOMATICALLY BE AMENDED TO CONFORM TO THE MAXIMUM MONETARY LIMITS PERMITTED UNDER LAW.

CONTRACTOR SHALL SECURE AND MAINTAIN DURING THE TERM OF THIS AGREEMENT TEXAS WORKERS' COMPENSATION INSURANCE IN THE AMOUNTS SPECIFIED IN EXHIBIT "A."

13. This Agreement is subject to all laws, orders, rules and regulations, and neither Company nor Contractor shall be liable for any delay or damage due, occasioned or caused as a result of such laws, orders, rules or regulations, or by strikes, action of the elements, or causes beyond the control of the parties, and any delay due to the above causes or any of them, shall not be deemed to be a breach or failure to perform this Agreement, or any part thereof.
14. **Contractor may not assign or sublet this Agreement or any part thereof, without the written consent of Company and the assignment of this Agreement, as the subletting of any work to be performed hereunder, if so permitted by Company shall not relieve Contractor of its obligation hereunder. It is agreed, however, that Contractor shall have the right to assign all or any part of the payments due, or which may become due, by virtue of the work.**
15. Should Contractor become insolvent or make an assignment for the benefit of creditors or be adjudicated, bankrupt or admit in writing his inability to pay his debts generally as the same become due, or should any proceedings be instituted by Contractor under any federal, state or local laws for relief of debtors or for the appointment of a receiver, trustee or liquidator of Contractor, or should a voluntary petition in bankruptcy or for a reorganization or for an adjudication of Contractor as insolvent or a bankruptcy be filed, or should an attachment be levied upon Contractor's equipment and not removed within five (5) days therefrom, then upon the occurrence of any such event Company shall thereupon have the right to cancel this Agreement and all verbal or written agreements between the parties, and to terminate immediately all work then being performed by Contractor hereunder.
16. This Agreement shall inure to and be binding upon the parties hereto, their heirs, successors and assigns.
17. Any provision herein prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions of this Agreement.
18. **It is specifically understood that the work may involve exposure to hazardous substances, including but not limited to hydrogen sulfide gas, commonly known as sour gas. Contractor has the duty to notify, provide appropriate safety equipment for and train its employees and the employees of any subcontractor as to these exposures. Contractor has the duty to monitor a safety program addressing these points when these exposures exist**

and insist that all safety measures be carried out by all such employees. Contractor will require that all such employees wear safety equipment when work contemplates exposure to the hazard substances.

19. In case of a disagreement between the parties to this Agreement as to any right, obligation, term or provision hereof, the parties shall make an earnest effort to settle such disagreement to their mutual satisfaction. In the event any such dispute regarding this Agreement cannot be reconciled by the parties to this Agreement, then any party may provide notice to the others specifying with particularity the items of disagreement and a request that the matter be resolved by mediation. Such notice shall include the name of a mediator acceptable to the party requesting mediation. If the dispute is not resolved by mediation to the satisfaction of the parties, or if the parties are unable to agree upon a mediator, within thirty (30) days after receipt of such written notice, then any such dispute shall be settled by arbitration and the results of such arbitration shall be binding upon all parties to this Agreement in all respects as set forth below.

Arbitration may be initiated by written notice from any party to this Agreement to the others that the previously noticed dispute has not been resolved by mediation and is being submitted to arbitration under the terms of this Agreement. A single arbitrator shall be chosen by the parties to the dispute by submitting names of eleven (11) arbitrators experienced in the area of dispute from a listing of twenty (20) such arbitrators supplied by the American Arbitration Association. The lists of the parties shall be compared and the first name to appear on all lists shall be the arbitrator of the dispute. Should any party fail or refuse to submit a list of eleven arbitrators then the other party (parties) shall select an arbitrator who shall be the sole arbitrator and shall resolve the dispute as set out herein. All arbitrators shall be individuals who have had prior experience in oil and gas exploration and production and shall function as independent and neutral arbitrators. In the selection of arbitrators, the parties shall take into consideration the nature of the matter submitted for arbitration. (Thus, for example, professional engineers should be selected to arbitrate issues which are primarily engineering in nature and accountants who are members of the Council of Petroleum Accountants Societies should be selected to arbitrate matters which are primarily accounting in nature.) Arbitrations under this paragraph shall be conducted under the Texas Arbitration Statute (Vernon's Ann. Tex. Civ. St. Arts. 224 to 238-6) and shall apply Texas law. All matters concerning the conduct of the arbitrators shall be governed by the provisions of the Code of Ethics for Arbitrations in Commercial Disputes published by the American Arbitration Association. No dispute related to this Agreement shall be brought before any court of law or equity; however, judgment upon the award or decision rendered by the arbitrators may be entered in any court having jurisdiction. All mediation and arbitration proceedings shall be in Midland, Texas.

Notwithstanding anything to the contrary contained in the above provisions concerning arbitration, nothing in these arbitration provisions shall be construed to in any way delay or limit the exercise of the rights and remedies provided to the parties in this Agreement. Further, notwithstanding anything to the contrary contained in the above arbitration provisions, disputes concerning the payment or refund of monies shall not be subject to arbitration unless the amount in dispute is more than \$1,000.00.

20. Contractor (and each person executing this Agreement on behalf of Contractor) represents and warrants to Company that (a) Contractor has full power and authority to conduct its business as

now conducted and to execute and deliver and perform its obligations under this Agreement; and (b) this Agreement has been duly and validly executed and delivered by Contractor and, assuming the due authorization, execution, and delivery hereof by Company, constitutes the legal, valid, and binding obligation of Contractor and is enforceable against Contractor in accordance with its terms.

21. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved using any presumption against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by the parties and their counsel and, in the case of any ambiguity or uncertainty, shall be construed according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.
22. The headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.
23. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
24. Subject to the terms of this Agreement, in the event that any party is rendered unable, wholly or in part, by force majeure to carry out its obligations, other than obligation to indemnify, make money payments or furnish security obligations under this Agreement, upon such party's giving notice and reasonably full particulars of such force majeure in writing or by electronic message transfer to the other parties hereto with a reasonable time after the occurrence of the cause relied upon, the obligation of the party giving said notice, insofar as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and the cause of the force majeure so far as possible shall be remedied with all reasonable dispatch.

The term force majeure as employed herein shall mean an act of God, strike, lockout or other industrial disturbances, act of the public enemy, war, blockade, riot, lightning, fire, storm, flood, explosion, government restraint, laws, regulations or orders of any governmental exercising jurisdiction, failure of water supply, and any other cause, reasonably beyond the control of the party claiming suspension. The above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or other labor difficulty by acceding to the demands of opponents therein when such course is inadvisable in the discretion of the party having the difficulty.

25. This Agreement may be terminated by either party by giving thirty (30) days written notice of termination to the other party. All projects in progress at the time of termination shall, at the option of the Company, be completed by Contractor under the terms of this Agreement and such termination shall have no effect upon the rights and obligations of the parties hereto as they pertain to prior or existing Project Work and liabilities, injuries, or damages arising therefrom. Notwithstanding the foregoing, Company shall have the right to immediately, without prior written notice, remove Contractor, or any employee or subcontractor of Contractor, from providing work under this Agreement, if in Company's opinion Contractor, or any of its employees or subcontractors, is incompetent, careless, unqualified, insubordinate, or has engaged in improper or unsafe conduct or conduct that is violative of any law, statute, rule,

regulation, ordinance or order of a governmental authority having jurisdiction, and in no event shall Company be liable to Contractor for any increased costs incurred by Contractor as a result of such termination.

26. Information provided by Company to Contractor or developed or obtained by Contractor while performing work under this Agreement (including, without limitation, information regarding Company's operations or the operations of any affiliate of Company) is proprietary to Company and confidential. Contractor shall not divulge such information and shall take all reasonable steps to assure that such information is not divulged to any person other than Company's representatives or persons designated by Company. The confidentiality obligation shall not apply where (a) such information is already known to Contractor or its employees or subcontractors or to others not bound by a duty of confidentiality; (b) such information is or becomes publicly available through no fault of the Contractor, or any of its employees or subcontractors; or (c) legal counsel to Contractor advises Contractor that disclosure of such information is required by a governmental authority or pursuant to legal proceedings. To the extent that Contractor is bound to protect the confidential information of Company, Contractor will ensure that its employees and any of its subcontractors used in furtherance of the work performed pursuant to this Agreement are bound to protect the Company's confidential information in the same manner as which Contractor is bound.

27. Special Provisions, if any:

This Agreement shall not be modified or amended absent the written agreement of the parties hereto.

28. Direct and indirect subsidiaries of Company or Contractor who are formed or acquired by either party after the date of execution of this Agreement shall adopt this Agreement as if they had originally been a party hereto by executing a counterpart hereof and forwarding it to all other parties to this Agreement.

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The foregoing Agreement is agreed to and accepted by

TALL CITY EXPLORATION, LLC

Dennis Kruse

("Company")
By: Dennis Kruse
Title: VP Drilling

PHOENIX SERVICES, LLC
Jack Daniel Shurden

("Contractor")
By: JACK DANIEL SHURDEN
Title: VICE PRESIDENT

EXHIBIT "A"

Prior to commencing any work, each party shall, at its expense, obtain and maintain insurance coverage of the nature and with such limits as are hereafter identified. If CONTRACTOR employs subcontractors to perform any work hereunder, then CONTRACTOR agrees to require such subcontractors to obtain, carry, maintain, and keep in force during the time in which they are engaged in performing any work hereunder, policies of insurance which comply with the requirements as set forth below and to furnish copies thereof to CONTRACTOR and COMPANY. Failure to maintain said insurance, as required herein, shall constitute a material breach of this agreement. Any failure on the part of COMPANY to insist upon strict adherence by CONTRACTOR to the insurance requirements hereunder shall in no event be construed to be a waiver of any of said requirements.

All insurance coverage carried by each party shall extend to and protect the other party to the full amount of such coverage and shall be sufficiently endorsed to waive any and all claims to the extent of risks and liabilities assumed under this Agreement, including but not limited to any subrogation claims, by the underwriters or insurers against the indemnified party.

Certificate(s) of insurance for all of those policies set forth hereafter specifically naming COMPANY as an additional insured are to be provided to COMPANY by the insurer(s) and are to be received prior to CONTRACTOR'S entry upon the premises or property of COMPANY or the performance by the CONTRACTOR of work covered by this agreement.

The Contractor shall name the Company as additional insured on all automotive and general liability policies. These policies shall provide primary coverage only for claims in which the Contractor has agreed to Hold Harmless and/or indemnify the Company. The Company shall name the Contractor as additional insured on all general liability policies. These policies shall provide primary coverage only for claims in which the Company has agreed to Hold Harmless and/or indemnify the Contractor. No "other insurance" clause may be invoked by any insurer. This coverage shall apply whether or not the indemnification is valid. Each party shall have its insurer waive its right of subrogation against the other party to the extent of risks and liabilities assumed under this Agreement on all insurance carried.

CONTRACTOR shall provide COMPANY with at least thirty (30) days' advance notice of any change in or termination of any of the coverages required herein.

COMPANY shall maintain in full force and effect with responsible carriers with an AM Best rating of B+ or higher, the following minimum insurance coverage:

A. Workers' Compensation and Employer's Liability:

- (1) Statutory Workers' Compensation in full compliance with all applicable state and federal laws and regulations for the state in which operations are conducted; and

B. Comprehensive General Liability:

- (1) Limits of Liability: \$1,000,000 combined single limits or \$1,000,000 per occurrence with a \$5,000,000 policy aggregate;
- (2) Policy must also contain Contractual Liability Coverage;
- (3) Policy must contain endorsement waiving underwriters' right of subrogation against COMPANY to the extent of risks and liabilities assumed under this Agreement; and
- (4) Policy must contain an endorsement naming COMPANY as an additional insured.
- (5) Policy must be applicable to the work being performed.

C. Comprehensive Auto Liability:

- (1) Limits of Liability: \$500,000 combined single limits;
- (2) Policy to include owned, hired, non-owned cars;
- (3) Policy must contain endorsement waiving underwriters' right of subrogation against COMPANY to the extent of risks and liabilities assumed under this Agreement; and
- (4) Policy must contain an endorsement naming COMPANY as an additional insured.

To the extent CONTRACTOR carries excess/umbrella liability, CONTRACTOR agrees to furnish proof of such coverage and to obtain and furnish proof of endorsements naming COMPANY as an Additional Insured and waiving the underwriters' right of subrogation against COMPANY to the extent of risks and liabilities assumed under this Agreement.